

The Honorable William F. Squadron
June 16, 1992
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As we have repeatedly advised you, these actions show the ongoing attempt by the cable monopolies - NCTV and Paragon - to throttle competition at every turn. Your Department is supposed to hold these monopolies in check but has thus far done nothing to protect real competition in this City. Please change your "blind eye" policy, investigate these complaints and take the appropriate actions.

Sincerely,

LIBERTY CABLE COMPANY, INC.

By


Peter O. Price

cc: R. Aurelio - President
Time Warner NYC Cable Group
The Hon. David Dinkins
All Members of the NYC Congressional
Delegation
The Hon. William Finneran - Chairman
New York State Commission on
Cable Television
The Hon. Alfred Sikes - Chairman
Federal Communications Commission



0 Rockefeller Plaza, Suite 3026, NY, NY 10020
212) 956-2700 Fax (212) 956-1818

July 10, 1992

The Hon. William F. Squadron
Commissioner
The City of New York
Department of Telecommunications
and Energy
75 Park Place, 6th Floor
New York, NY 10007

Re: Complaint by Liberty Cable Company, Inc.
Against Paragon Cable Manhattan

Dear Commission Squadron:

I am writing yet again to complain about the ongoing harassment by Paragon Cable Manhattan ("Paragon") against Liberty Cable Company, Inc. ("Liberty") and its customers. On July 9, 1992, a Liberty customer, Steven Roth in Apartment 17K at 1675 York Avenue, New York, NY, had his Paragon service terminated and Liberty service installed. Notwithstanding the termination of the Paragon service and removal of the Paragon converter, Paragon has advised Mr. Roth that it will continue billing him for "basic service" evidently claiming that the wiring installed within Mr. Roth's apartment "belongs" to Paragon. Paragon says that it will continue billing Mr. Roth \$20.95 a month "until the problem is resolved with Liberty using Paragon lines." Enclosed for your information please find a copy of the Paragon work order imposing this outrageous condition. This is a clear violation of Paragon's franchise which does not permit Paragon to charge anyone for cable service they do not take. Your prompt attention to this matter would be appreciated. We would particularly appreciate an immediate cease and desist order issued from your office to Paragon to stop this outrageous harassment.

Sincerely,

LIBERTY CABLE COMPANY, INC.

By


Peter U. Price

cc: R. Aurelio - President
Time-Warner NYC Cable Group
The Hon. David N. Dinkins
All Members of the NYC Congressional Delegation
The Hon. William Finneran - Chairman
New York State Commission on
Cable Television
The Hon. Alfred Sikes - Chairman
Federal Communications Commission

Ex.C



80 Rockefeller Plaza, Suite 3026, NY, NY 10020
212) 956-2700 Fax (212) 956-1818

July 17, 1992

The Hon. William F. Squadron
Commissioner
The City of New York
Department of Telecommunications
and Energy
75 Park Place, 6th Floor.
New York, NY 10007

Re: Complaint by Liberty Cable Company, Inc.
Against Manhattan Cable Television, Inc.
and Paragon Cable Manhattan

Dear Commissioner Squadron:

On July 1, 1992, a Liberty Cable Company, Inc. ("Liberty") subscriber. Mr. Crillis in Apartment 18C at 10 West 66th Street, New York, New York, reported that Manhattan Cable Television, Inc. ("MCTV") had disconnected his Liberty cable service while collecting MCTV converter boxes from his apartment. The same problem was experienced the next day by Mr. Cherno in Apartment 32C at 10 West 66th Street. This is no mere coincidence since the MCTV cable at the Building is white and the Liberty cable is black. Even a color blind technician can tell the difference. MCTV has no business disconnecting Liberty subscribers and this is yet another tactic in their harassment campaign directed against Liberty customers. Please issue an immediate cease and desist order to MCTV directing them to stop unilaterally disconnecting Liberty subscribers.

This kind of conduct is typical of the harassment of consumers engaged in by MCTV to protect its monopoly. The cable consumers of New York are looking to your office for protection and so far it has not been provided.

Sincerely,

LIBERTY CABLE COMPANY, INC.

By


Peter O. Price

cc: R. Aurelio - President
Time-Warner NYC Cable Group
The Hon. David Dinkins
All Members of the NYC Congressional Delegation
The Hon. William Finneran - Chairman
New York State Commission on
Cable Television
The Hon. Alfred Sikes - Chairman
Federal Communications Commission

EX.D

10 WEST 66th STREET CORPORATION

10 WEST 66TH STREET • NEW YORK, N.Y. 10023
TEL. (212) 799-5366 • FAX. (212) 799-5669

July 17, 1992

The Hon. William F. Squadron
Commissioner
The City of New York
Department of Telecommunications
and Energy
75 Park Place, 6th Floor
New York, New York 10007

Re: Complaint Against Manhattan Cable Television, Inc.

Dear Commissioner Squadron:

As of April 1992, 10 West 66th Street renovated its Master Antenna System ("MATV") utilizing Liberty Cable, and, as a consequence of this renovation, approximately 98% of the shareholders converted from MCTV to the MATV/Liberty Cable. A protocol was established whereby apartments were disconnected and tap removals were verified by MCTV technicians. Unfortunately, these shareholders are still receiving past due invoices, and some accounts have been turned over to collection agencies. These shareholders have been unsuccessful in obtaining billing corrections from MCTV customer service representatives.

The shareholders immediately called the Management Office for assistance. I tried to speak with MCTV to clear up the few (at the time) bills. I had difficulty in reaching MCTV by phone and then resorted to contacting a district manager to resolve the problem.

I was directed to Mr. Alex Giamboi who, in my opinion, was as helpful as he could be. Mr. Alex Giamboi and MCTV foreman, Mr. Sunday Figueroa, came to our building on June 2, 1992 to verify tap removals from approximately 40 apartments. Tap removal verification of all of these apartments was completed that day. I requested a building run from MCTV in order to confirm that these 40 shareholders have been deleted from MCTV's billing system. A few days later, Mr. Giamboi telephoned to say that MCTV's Legal Department had denied my request. Hence, these people still continue to get billed.

CX.E

On June 30, 1992, a meeting was held in the Management Office of this Corporation. Present were Mr. Alex Giamboi and Mr. Sunday Figueroa representing MCTV; Mrs. Nancy Rodriguez representing Liberty Cable; and myself representing 10 West 66th Street Corporation. The purpose of this meeting was correct the erroneous billings. At the meeting, I provided Mr. Giamboi and Mrs. Rodriguez copies of the tenants original MCTV bills and receipts.

On Monday, July 6th, I received a telephone call from Mr. Giamboi stating all documents were forwarded to the Billing Department and adjustments have been made. I asked him to please forward the corrected tenant bills to my attention at the Management Office in order for me to comply with shareholder wishes that I verify the adjustments and calculate the monies still outstanding. Mr. Giamboi agreed it would be a good idea for me to receive these bills.

On Tuesday, July 7th, I received a call from Mr. Giamboi stating that the Legal Department of MCTV has, once again, denied my request that the Billing Department forward bills to me. They stated that due to the Privacy Act, they have to send the bills to the tenants unless the tenant notifies them in writing to forward bills to the Management Office. I stated to Mr. Giamboi that at our meeting I gave him copies of the original bills and receipts that the tenants forwarded to me and queried if that was not sufficient to show that the tenants are asking me to represent them.

For the past two months I have exhausted all efforts to resolve this matter with MCTV and request you investigate this matter.

Yours truly,


Dina Fatigato
Operations Manager

cc: ✓ W. James Mac Naughton, Esq.
Martin J. Schwartz, Esq.
Peter O. Price; Liberty Cable
Bruce Mc Kinnon; Liberty Cable
Alex Giamboi; MCTV
Juliette M. Moran

W. JAMES MacNAUGHTON, ESQ.

Attorney at Law

90 Woodbridge Center Drive • Suite 610
Woodbridge, New Jersey 07095

Phone (908) 634-3700

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October 1, 1992

The Hon. William F. Squadron, Commissioner
The City of New York
Department of Telecommunications
and Energy
75 Park Place, 6th Floor
New York, New York 10007

Re: 420 East 51st Street

Dear Commissioner Squadron:

I represent Fifty-First Beekman Corp. ("Beekman") and the residents of 420 East 51st Street (the "Building"). Beekman, a cooperative corporation, has been purchasing bulk cable television service from Manhattan Cable for many years. On July 31, 1992, I advised Manhattan Cable that seventy-four (74) Building residents wished to terminate their Manhattan Cable service (the "Termination Requests"). A copy of that letter was previously sent to you.

My letter of July 31 requested that Manhattan Cable cease the billing for cable service to these residents within three (3) business days of receipt by Manhattan Cable of the Termination Requests as required by Section 9.4 of Appendix I, Consumer Protection Standards of the Manhattan Cable New York City Franchise. Manhattan Cable has ignored the Termination Requests and continues to bill Beekman for bulk cable service and individual subscribers for "premium" service.

By letters dated August 27, August 31 and September 17, 1992, an additional twenty-six (26) Termination Requests were submitted to Manhattan Cable. Again, Manhattan Cable has refused to acknowledge or honor these requests and continues to bill for cable service. I would appreciate the intervention and assistance of your office in resolving this billing dispute.


Enclosed for your information, please find copies of the affidavits of Claire Kamm and Michael Dunleavy which I am filing in the matter Manhattan Cable, Inc. v. Fifty-First Beekman Corp., Supreme Court of the State of New York, County of New York, Index

Admitted in New Jersey and New York

EX. F

No. 92-16790. You will note that Manhattan Cable's conduct at 420 East 51st Street has been a sorry spectacle of abuse and deceit. My clients would like to know when—if ever—your office is going to call Manhattan Cable to account for its outrageous conduct.

Sincerely,


W. James MacNaughton

WJM:lw

Enclosures

cc: C. Kamm
P. Price
M. Schwartz
S. Jacqueney
J. Brilling
(all w/o encl.)

CERTIFICATE OF SERVICE

ADAM B. ROWLAND, an attorney at Shereff, Friedman,
Hoffman & Goodman do hereby certify that I have caused the
foregoing to be served this 17th day of December 1992, by United
States mail, upon the following:

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The Honorable William P. Barr
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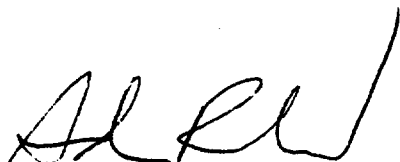
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ADAM B. ROWLAND

PARAGON CABLE MANHATTAN

SERVICE FEATURES

SERVICE OPTIONS

With Paragon Cable Manhattan, you have the choice of many subscription options: Individual service on a monthly basis, or bulk billing to buildings over 15 residential units. These options allow you the flexibility needed in today's changing world of communications. Over the past five years, cable television has grown from a 29 channel product, to a service now featuring 77 channels, 8 premium channels, and five two-way pay-per-view channels. Time Warner Cable (Paragon Cable's managing partner) has already demonstrated the reliability and feasibility of 150 channels in New York and 500 channel tests are now under consideration.

MORE RELIABLE TECHNOLOGY

Paragon Cable Manhattan's coaxial and fiber optics is the most advanced technology in telecommunications today. *It is built for the future*, to accommodate the revolution in telecommunications that is coming in the next decade. It is the most reliable in delivering video signals.

Liberty's over-the-air, line-of-sight microwave system is an older technology that is vulnerable to more disruptions from weather and other interferences. Furthermore, Liberty's plan to use your existing MATV system may result in poor service, as the loop-through technique requires access into all residential units for proper maintenance.

REGULATORY AUTHORITY

You'll lose the protection of the City and State regulatory agencies, because Paragon Cable Manhattan is a franchised cable company that is regulated on service standards, billing and credit procedures and technical standards by Federal law which is enforced by the New York City Office of Telecommunications and the New York State Commission on Cable Television. With Liberty Cable, there is no such protection because city and state agencies have no jurisdiction over its activities. With Liberty, you'll be doing business with a company owned by real estate landlords (the Milstein interests), who have little experience in entertainment, programming or cable television service.

IMPROVEMENTS

Paragon Cable Manhattan has substantially completed a 5-year multi-million dollar rebuild, that has been called one of the most difficult construction projects in the world. Over 14,000 buildings have been upgraded to 77 channels. The benefit to our customers is a new Paragon Cable: Over 95% of all telephone calls are answered within :30 seconds, with most calls answered immediately; service calls have been reduced, and installation and service call appointments are now handled on the same and next day. The new Paragon Cable has been awarded the National Cable Television Association Seal of Approval for quality customer service.

PARAGON CABLE MANHATTAN

SERVICE FEATURES

(2)

PROGRAMMING

Without Paragon Cable Manhattan, you'll lose NY 1 News, New York City's only all-news television channel, and the most important new program service to be offered to New Yorkers in years. It's already become an indispensable service for those who live and work in New York City. An independent marketing research firm recently conducted a viewership study in New York City and discovered that 42% of all cable customers tuned to NY 1 News during the recent December storms. More people tuned to NY 1 News first than to WCBS, WNBC, or The Weather Channel.

You'll also miss the nation's most advanced pay-per-view operation, cited as a model for the country, offering more choices, more movies, more events, programmed so conveniently that it virtually brings a video store into your home. And you get exclusive blockbuster events that only the power of Time Warner Home Theatre can bring you.

Without Paragon Cable Manhattan, you'll be deprived of nine public, educational, and governmental channels, including CUNY-TV, your link to the city's university system; Crosswalks, which keeps you in touch with government activities; and public access programming, which gives minorities, community groups and your neighbors a chance to be heard.

Paragon Cable offers a variety of other services not carried by Liberty including:

Court TV

Live coverage of the most important legal cases in the country, including expert commentary and discussions of legal issues.

Cartoon Network

New from Turner Networks, 24 hours of cartoons, including the Hanna Barbara collection. Titles include Tom & Jerry, Top Cat, Centurions, Jonny Quest, The Flintstones, and Bugs Bunny.

Nostalgia

Focusing on issues and programming to the senior audience, this channel features classic sitcoms, movies, and public affairs programming.

VISN

A 24-hour interfaith programming network that prohibits on-air solicitations for donations and encourages interaction and understanding among the various faith groups. VISN policies are shaped by a consortium of 23 faith groups from Roman Catholic, Jewish, Protestant, and Eastern Orthodox traditions.

with respect thereto in accordance with Section 15.3 hereof.

3.8 Competition

3.8.01 Violation of Antitrust Law Standards.

In connection with the acquisition or distribution of any Cable Service for ultimate delivery to consumers in any part of the City, neither the Company nor any Affiliated Person shall take any action or engage in any practice pursuant to this Agreement which prohibits or inhibits in any way, in a manner which would be unlawful under the antitrust laws, the Company or any unaffiliated Cable Services provider or distributor, from acquiring any Cable Service from a competing or potentially competing Cable Service provider or from distributing any Cable Service to any competing or potentially competing Cable Service distributor. The Company or Affiliated Person, as the case may be, shall have the burden of proving, in any City forum or proceeding involving this Agreement where the issue may arise, that any action or practice in connection with the acquisition or distribution of any Cable Service which would otherwise violate the antitrust laws does not do so because of countervailing factors permitted to

3.8.03 Refusal To Deal. In connection with the acquisition or distribution of any Cable Service for ultimate delivery to consumers in any part of the City, neither the Company nor any Affiliated Person shall unreasonably refuse to deal with any competing or potentially competing Cable Service provider or distributor. In determining the reasonableness of such actions by the Company or Affiliated Person, such actions shall be analyzed in accordance with general antitrust law principles, including without limitation, public interest factors relevant to such refusal to deal. Notwithstanding the provision above, the Company or any Affiliated Person may refuse to deal with any unaffiliated Cable Service provider or distributor, if such unaffiliated Cable Service provider or distributor or an affiliated person of such provider or distributor refuses to deal with the Company or any Affiliated Person with regard to the acquisition or distribution of any Cable Service for ultimate delivery to consumers in any part of the City over the System or an Affiliated Person's system, to the extent that such refusal of the Company to deal does not violate law. The Company or Affiliated Person, as the case may be, shall have the burden of proving, in any City forum or proceeding where the issue may arise, that a refusal to deal is

reasonable, provided that in any administrative proceeding under the Cable Act, the customary rules applicable to which party bears the burden in such action shall apply.

3.8.04 Discrimination Against Competitors.

In connection with the acquisition or distribution of any Cable Service for ultimate delivery to consumers in any part of the City, neither the Company nor any Affiliated Person shall discriminate in the price, terms, conditions, or availability for purchase or sale of any Cable Service among the Company or any Affiliated Person and any competing or potentially competing Cable Service provider or distributor, except that: (i) the Company or Affiliated Person may impose reasonable, nondiscriminatory requirements for creditworthiness, service, and financial stability, and (ii) nothing in this Section shall prohibit price differentials that are attributable to differences in cost in the creation, sale, delivery, or transmission of such Cable Service or which are made in good faith to meet the equally low price of a competitor. In assessing any such action of the Company or Affiliated Person, such action shall be analyzed in accordance with general antitrust law principles, including without limitation, public

interest factors relevant to such alleged discrimination. The Company or Affiliated Person, as the case may be, shall have the burden of proving, in any City forum or proceeding where the issue may arise, that the Company's or Affiliated Person's actions come within exception (i) or (ii) above, provided that in any administrative proceeding under the Cable Act, the customary rules applicable to which party bears the burden in such action shall apply.

3.8.05 Denial of Cable Service to Competing Cable Service Distributors. In connection with the acquisition or distribution of any Cable Service for ultimate delivery to consumers in any part of the City, neither the Company nor any Affiliated Person shall take any action or engage in any practice the effect of which is to unreasonably deny any Cable Service to any competing or potentially competing Cable Service distributor. The Company or Affiliated Person, as the case may be, shall have the burden of proving in any City forum or proceeding where the issue may arise that such action or practice the effect of which is to unreasonably deny any Cable Service to any competing or potentially competing Cable Service distributor, is reasonable, provided that in any administrative

proceeding under the Cable Act, the customary rules applicable to which party bears the burden in such action shall apply. In assessing the reasonableness of any such action or practice, such action or practice shall be analyzed in accordance with general antitrust law principles, including without limitation, public interest factors relevant to such action or practice.

3.8.06 Intended Beneficiaries. The City and all Persons who are or seek to be Cable Service providers or Cable Service distributors (as defined in Section 3.8.07 hereof) in the City who are competing or may compete with the Company or any Affiliated Person with respect to the distribution of services, and who would be substantially injured by a breach of any provision of Sections 3.8.01, 3.8.03, 3.8.04 or 3.8.05 of this Agreement are intended beneficiaries of the provisions of those Sections.

3.8.07 Cable Service Provider or Distributor. For purposes of this Section 3.8, the term: (i) "Cable Service provider" shall include any Person who produces for distribution or who has the rights to distribute on a wholesale basis any video programming service(s); and (ii) "Cable Service

distributor" shall include any Person who distributes any video programming service(s) on a retail basis to residences or businesses, such as a cable operator or operator of any MMDS, MDS, MATV, SMATV, DBS or other similar system.

3.9 Continuing Obligations

3.9.01 General Requirement. Throughout the term of this Agreement, the Company shall construct, operate, maintain and upgrade the System in order to ensure that it continuously conforms to the State of the Art in accordance with the requirements of this Section 3.9. In addition, the Company, either on its own initiative or at the reasonable request of the Director, shall participate in or undertake experiments, tests, and other activities to enhance and advance the State of the Art of Cable Communications Systems technology.

3.9.02 State-of-the-Art Report. The Company shall provide to the Director, in a form satisfactory to the Director, no less often than once every two (2) years, a report setting forth the Company's review and assessment of the current State of the Art of cable



THE CITY OF NEW YORK
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
75 Park Place, 6th Floor
New York, New York 10007

January 12, 1993

William F. Squadron
Commissioner

Telephone: (212) 788-6848
Facsimile: (212) 788-6551

Mr. Peter O. Price
President
Liberty Cable Company, Inc.
30 Rockefeller Plaza
Suite 3026
New York, New York 10020

Dear Mr. Price:

This letter addresses your allegations that Time Warner Cable of New York City (formerly known as "Manhattan Cable Television, Inc.") and Paragon Cable Manhattan (hereinafter referred to as "the Companies") have violated the competition section of their respective franchise agreements with the City of New York. In support of its allegations, Liberty asserts that Time Warner executives "have repeatedly pressured" Court TV not to do business with Liberty.

Subsection 3.8.05 of the franchise agreements prohibits the Companies or their affiliates from engaging in practices which would unreasonably deny any competing cable service distributor access to a cable television service. Accordingly, the Department of Telecommunications and Energy ("DTE") has carefully investigated Liberty's allegations and has reviewed both the legal basis and factual circumstances set forth in Liberty's correspondence. In addition, DTE has received full cooperation from Time Warner and Court TV in obtaining the necessary information pertinent to its investigation. On the basis of that investigation and analysis, DTE has determined that the facts do not support a finding of a violation of Section 3.8.05 of the franchise agreements by the Companies for the following reasons:

Section 3.8, et seq. is intended to protect competition and redress anticompetitive effects of certain business practices in accordance with general antitrust law principles; this section is not intended to prohibit all restrictive business arrangements or exclusive distribution agreements.

In addressing Liberty's claims, DTE examined three issues: (1) the connection between Time Warner, the Companies and Court TV; (2) the actual distribution arrangement between the Companies

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January 12, 1993
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and Court TV; and (3) the impact of the arrangement between the Companies and Court TV.

1. Time Warner/Court TV connection.

Time Warner owns direct interests in each of the Companies. Time Warner also owns controlling and partial interests in several cable television programming services, including Court TV. A Time Warner subsidiary owns a one-third interest in Court TV and another Time Warner subsidiary is the managing partner of Court TV.

DTE does not find that Time Warner's interest in Court TV itself violates antitrust law or the franchise agreement. DTE found no evidence of misuse of Time Warner's interests in programming services in a general effort to deprive Liberty of desirable programming. In fact, DTE found that Liberty currently carries other programming services in which Time Warner owns either a controlling or partial interest, including HBO, CNN, TNT...

2. Court TV's exclusive arrangement with Time Warner.

Court TV is a relatively new special interest cable television service which relies on fees from advertisers as well as cable operators. Its service was formally launched July 1, 1991 with commitments from cable operators totalling access to nearly 5.4 million subscribers nationally. Court TV states that it needs access to 15 million subscribers nationally to attract advertisers. According to Court TV, it currently has access to seven million subscribers nationally and it seeks to reach an additional 19 million subscribers by 1995 from commitments obtained from multiple system operators with substantial national subscriber bases.

According to Court TV and Time Warner, consistent with its efforts to accomplish its subscriber goal, Court TV offered Time Warner exclusivity to induce Time Warner to commit to carrying the channel over all its systems, thereby strengthening its position with advertisers. Time Warner agreed to an exclusive arrangement with Court TV to distribute the channel over all its cable systems including those operated by the Companies. Time Warner launched Court TV under the exclusivity terms negotiated by Court TV and has been carrying the channel on a month-to-month basis pending a final written affiliation agreement.

The Time Warner/Court TV arrangement is a vertical, non-price exclusive agreement. Under antitrust law principles, vertical arrangements allocating exclusive territorial

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distribution are not prohibited unless such arrangements lack any legitimate business justification or impose an unreasonably anticompetitive foreclosure of product to competitors. Court TV states that it needs access to at least fifteen million subscribers nationally to attract advertisers to support its service, and that its success at obtaining commitments from cable operators with substantial numbers of subscribers nationally is essential to its success. In order to secure these commitments, Court TV has offered cable operators, including Time Warner, exclusive rights to carry the new service in the geographic areas which their systems serve. Such arrangements are consistent with industry practice, particularly where a new program service is involved.

DTE is satisfied that the exclusive arrangement between Court TV and Time Warner was born of the legitimate business needs of Court TV and does not impose an unreasonable foreclosure of programming. As far as DTE has been able to ascertain, the Court TV arrangement is the only exclusive cable television service arrangement Time Warner currently holds against Liberty. Thus DTE concludes that this arrangement is not an unreasonable vertical territorial restriction, and not a violation of the franchise agreement.

3. The impact of the arrangement on Liberty.

DTE considered whether the exclusivity arrangement between Time Warner and Court TV has the effect of unreasonably suppressing competition. Antitrust law requires that restraint of trade or unfair competition must occur in a relevant market. The relevant market is the market in which Liberty competes, i.e., cable television service distribution.

Liberty serves approximately 7,000 subscribers in several buildings in the New York City Market and by its own claims is successfully competing with the Companies in this market. Liberty's success appears to be the result of providing several channels of cable services (including several cable services which the Companies carry and cable services in which Time Warner owns an interest) at a competitive price. DTE does not find that Court TV is essential to Liberty or any other multichannel distributor's ability to compete in New York City. Thus, DTE concludes that Liberty has not presented sufficient factual circumstances to support its claim of competitive harm because of its inability to receive Court TV.

Accordingly, the facts do not support Liberty's allegations that the Companies have violated the Competition section of their respective franchises. Liberty has not demonstrated that Time